

**REMARKS OF FCC CHAIRMAN AJIT PAI  
AT THE NATIONAL ASSOCIATION OF BROADCASTERS SHOW**

**LAS VEGAS, NEVADA**

**APRIL 10, 2018**

Thank you, Senator Smith, for that warm introduction and for your outstanding leadership. Congratulations to everyone receiving an award during this session; thank you for all your contributions to your communities. Special congrats to a Washington-area broadcaster and the winner of the Crystal Heritage Award—WTOP. In the station's honor, I may interrupt my remarks to give traffic and weather updates on the 8s.

It's always great to be with broadcasters. Or perhaps I should say, it's great to *always* be with broadcasters. Since last year's NAB Show, I saw many of you at the Radio Show in September. In January, I participated in an NAB event to discuss the role of broadcasters during emergencies. And during my travels across the country, a staple of many tour stops has been visiting local broadcasters. Just last week, I popped in to WHIR-AM in Danville, Kentucky as well as WHBQ-AM and WMC-TV in Memphis, Tennessee.

A quick note on each visit. WHBQ was the first station to ever broadcast an Elvis song over the radio. WMC was the first television station in the Volunteer State. And as for WHIR, faced with the opportunity to ask the Chairman of the FCC to tackle any issue, station manager Robert Wagner asked that we do something about . . . wait for it . . . robocalls. Never tell me that broadcasters aren't keenly attuned to the public's concerns.

Putting these visits on my calendar, and broadcast issues on the FCC's agenda, is common sense. You're a preeminent source of entertainment and information. You deliver the most watched shows on television. And more than 90% of Americans still tune into broadcast radio on a regular basis.

If there has been a dominant theme of the past year for broadcasters, I would say it's been your role as first informers. There are so many examples I could choose, but fresh on my mind is my visit last month to Puerto Rico and the U.S. Virgin Islands, two territories hit hard by last year's hurricanes. In San Juan, Puerto Rico, I did an interview on WKAQ, and heard firsthand how hosts Ruben Sanchez and Ricardo Padilla stayed on the air during the storms and kept people informed. Afterward, I got a tour of the station. You could still see some of the structural damage in the atrium. And in the U.S. Virgin Islands, I visited WTJX, the public television station on St. Thomas. This station was completely destroyed. But before that point, WTJX was letting folks know what they needed to know to stay safe.

These stories are just part of a broader theme. Below the national spotlight, broadcast journalism drives meaningful change.

Earlier this year, Channel 8 News in Richmond, Virginia did a story on a little-known law that empowered the state to revoke your teaching, nursing, or other professional license if you default on your student loans. Of course, losing your license means losing your job and your ability to pay off your loans. Within weeks of Channel 8's report, the state legislature repealed this nonsensical law.

In Indiana, the state legislature approved a law this winter to expand access to opioid treatment programs. The state representative who sponsored the new law said she was moved to action by reports on WTHR Channel 13 about the shortage of treatment facilities. Now, the state is opening nine new opioid addiction treatment centers.

At the FCC, I see it as our job to create a regulatory environment that enables you to keep doing great work like this. A big part of that is modernizing our media rules to match the marketplace and technology of today. That's required a lot of work. For most of these rules were written during the

analog era, at a time when Amazon was nothing more than a river and (the homonym) “googol” was nothing more than a really big number.

Each of our decisions has presented a basic philosophical choice about moving forward or looking backward. And on each, we’ve made the right choice—for broadcasters and consumers alike.

You either believe broadcasters should be allowed to innovate, or you don’t. And we do. So last November, the FCC adopted rules authorizing the Next Gen TV transmission standard. By allowing use of this standard on a voluntary, market-driven basis, we’ve opened the door to a substantially improved, free, over-the-air television broadcast service and fiercer competition in the video marketplace.

Unfortunately, we ran up against some resistance. Some demanded that we strangle Next Gen TV in its infancy with extensive regulation—regulation they’d never think of foisting on video services of Silicon Valley giants. They stoked false fears about losing signals and having to buy new equipment. Fortunately, the FCC rejected this shameful attempt to block progress. I look forward to seeing the consumer benefits from this new technology in the time to come.

You either believe in rules that match the modern marketplace, or you don’t. And we do. So last year, we also approved a long-overdue update to our media ownership rules. One of them was ending the newspaper-broadcast cross-ownership ban—a ban that was adopted in 1975. With the proliferation of online news sources, cable TV, and more, the idea that a company could dominate a media market by owning a broadcast station and a newspaper is utter nonsense.

You either believe in extending broadcast service to more communities, or you don’t. And we do. That’s why we scrapped the “main studio” rule, which predated World War II. The rule’s purpose was to allow community input and public access to the station’s inspection file. But these days, people contact broadcasters through the Internet or over the phone, and the public file is now online. Ending this rule gives broadcasters greater flexibility without sacrificing transparency or community engagement. And it’s already making it easier for broadcasters to add new service or maintain existing service in rural communities. I’ve heard this firsthand, including just last week when visiting with Flinn Broadcasting in Memphis.

You either believe in scrapping outdated regulations or you don’t. And we do. You may recall that at this very show last year, I announced we were launching a comprehensive review of our 1,000-plus pages of media regulations to identify rules that needed to be updated or repealed altogether. We call this our *Modernization of Media Regulation Initiative*. We’ve already launched eight separate rulemakings as a result of this effort, and we’ll start more in the coming months. In particular, Commissioner O’Rielly is now leading an effort to update our children’s television rules so that they better reflect the way that kids watch video these days, and I look forward to getting his recommendations.

Together, all of these decisions remind me of a painting by the French Impressionist Georges Seurat, who you may remember as the artist who did that painting in *Ferris Bueller’s Day Off*. Seurat was a master of pointillism, a technique in which the artist makes tiny colorful dots in patterns to create a larger image. When you look at all of our media decisions together, the larger picture becomes clear: we are simply allowing any and every broadcaster the ability to compete in a free market, unshackled by regulations that no longer make sense.

Until now, I’ve focused mainly on television. Let me talk about radio for a minute.

As you know, an important part of our 2015 AM Revitalization Order was helping AM broadcasters obtain FM translators.

This been a pretty successful effort, with big demand across the country. But with this increase in translators, we’ve also seen an increase in interference complaints. That’s why I shared a proposal today with my colleagues to update our rules on translator interference. The goal is to simplify and expedite the complaint process. This Notice of Proposed Rulemaking follows up on a petition for rulemaking filed by

NAB. Among other things, it would allow translator stations to resolve interference by moving to any available frequency using a minor modification application and require a minimum number of interference complaints to support any interference claim. I appreciate NAB's input and look forward to working with you on this issue.

Another area where we've been active is pirate radio. We're cracking down on unauthorized stations that can hurt your businesses, interfere with licensed communications, and impede the public's ability to access the critical information you provide.

Since January 2017, the FCC's Enforcement Bureau has undertaken a whopping 306 pirate-radio investigations and has issued 210 Notices of Unlicensed Operation. That reflects a 101% increase in enforcement against pirate broadcasters compared to the previous year. During that same time, the Commission has also fined illegal broadcasters \$143,800 and proposed fines totaling \$323,688.

But we're not just doing more. We're also getting more creative.

For the first time, the FCC last year found property owners apparently liable for supporting this illegal activity on their property. In proposing the statutory maximum forfeiture, we want to make clear that aiding a pirate's unauthorized use of the radio spectrum won't be tolerated. We also successfully reached a consent decree with a pirate radio operator that involved the pirate closing up shop and paying a fine.

And lastly, we're working with various U.S. Attorney's Offices and the U.S. Marshals Service to seize radio transmitters and other equipment used by pirate radio stations. Just a little over two weeks ago on March 26, federal authorities seized radio transmission equipment from two radio stations that were operating illegally in Boston. Today, I can report that we recently took similar action against a pirate operator in Miami and another operator in Queens, New York.

Thanks are due to our federal partners in Boston, Miami, and New York, the FCC's field agents and Enforcement Bureau staff, and Commissioner O'Rielly, who has been a leader on this issue.

Finally, as you might have heard, the incentive auction wrapped up last year. Let me share the latest. The post-auction transition is in full swing. Already, several stations have begun moving to new channels. This includes more than 50 stations in channel-sharing arrangements, as well as early birds that got permission to move before the end of Phase 1 of the transition, which ends on November 30.

For years, I've said that television broadcasters shouldn't have to pay out of their own pockets to move. So I was pleased that the FCC was able to work successfully with Congress and NAB last month to secure another \$1 billion to reimburse broadcasters. These additional funds will assure full-power and Class A television broadcasters that they will be made whole for reasonable relocation costs.

In February, we teased a second allocation of funds to reimburse broadcasters for the cost of the transition, and I expect that announcement to come very soon. And thanks to the new legislation, that new allocation will be larger than we originally anticipated.

Today also marks the opening of the special displacement window for LPTV and translator stations that need to move to new channels as a result of the auction. FCC staff have made a lot of data available to stations to help them identify alternative channels. And now, Congress has authorized the Commission to reimburse LPTVs and translators as well as FM radio stations. Our staff is hard at work preparing for rulemakings on reimbursement procedures for these stations, and we look forward to working with you on this.

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To close, I'd like to go back to Robert Wagner. Not the guy from *Hart to Hart*, or the anti-anti-dentite activist Dr. Abbott from *Seinfeld*, but the WHIR station manager in Danville, Kentucky who asked me about robocalls. Well, the local paper did a write-up of my visit. And Mr. Wagner gave them a quote

equal parts humor and insight. Describing my visit, he said: “I wish I could tell you there was something earth-shattering that happened—no, he just came by for coffee.” This reveals two things. First, I clearly talk too much about coffee. But second, what really struck me was the lack of anything earth-shattering.

For the most part, broadcasters get the recognition they deserve keeping their audiences informed during times of emergency; for launching the latest hit show that attracts millions of viewers; for exposing wrongdoing or injustice and effecting change. But often underappreciated are the everyday contributions that you make to your communities.

In a few minutes, 10 stations will receive Crystal Radio Awards recognizing their community service. They were chosen from among 50 finalists. These stations didn’t win because one of their reporters rescued someone on live television. Most awards involve things like raising money for local charities or partnering with the Make-A-Wish Foundation to give a priceless moment to a sick child. Ordinary things that have an extraordinary impact. For me, it’s this kind of community service that makes it a joy to visit broadcasters whenever I can.

Enabling this service to continue is why the FCC needs to modernize its rules—in the digital age, it’s the only way to allow broadcasters to thrive. And that is why I’ll continue to take the arrows fighting to promote a fair chance for broadcasters to compete. It may not always be earth-shattering stuff, but it’s a big deal for our communities and our nation.